

ST14-05 – K-1 Income Entry

K-1 statements with income from interest, dividends, capital gains, and royalties are within the program scope. **Any other entries on a K-1 are OUT OF SCOPE** (e.g. Rent reported on a K-1 is OUT OF SCOPE).

Use the table below to determine the line number on the various K-1 forms and where in TaxWise to enter in-scope items. **DO NOT USE THE K-1 FORM IN TWO.**

Item	form 1041	form 1120S	form 1065	form 8865	TaxWise form
Interest	1	4	5	5	Interest Stmt
Ordinary dividends	2a	5a	6a	6a	Dividend Stmt
Qualified dividends	2b	5b	6b	6b	Dividend Stmt
Tax-exempt interest	14 Code A	16 Code A	18 Code A	18 Code A	Interest Stmt
Capital Gains – Short Term	3	7	8	8	Sch D Page 1 Line 5 – Use Scratch Pad for amount and payer
Capital Gains – Long Term	4a	8a	9a	9a	Sch D Page 1 Line 12 - Use Scratch Pad for amount and payer
Royalties	n/a	6	7	7	Sch E Question A – Answer NO Sch E Page 1 Line 1A or 1C enter address, complete TSJ and Type column (Type is 6) Sch E Line 4A or 4C– Use Scratch Pad to show amount and payer..

The following pages show a K-1 with only in-scope items and the corresponding TWO data entry:

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Source Document: K-1 (Form 1065)

**Schedule K-1
(Form 1065)**

Department of the Treasury
Internal Revenue Service

2014

For calendar year 2011, or tax
year beginning _____, 2011
ending _____, 20_____

651111

Final K-1 Amended K-1 OMB No. 1545-0099

Partner's Share of Income, Deductions, Credits, etc. ▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
82-8xxxxxxx

B Partnership's name, address, city, state, and ZIP code
Sussex Partners
123 Main St.
Sparta, NJ 07871

C IRS Center where partnership filed return

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
821-xx-yyyy

F Partner's name, address, city, state, and ZIP code
Karla Korn
123 Elm St.
Sparta, NJ 07871

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? _____

J Partner's share of profit, loss, and capital (see instructions):

	Beginning		Ending
Profit	%		%
Loss	%		%
Capital	%		%

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing . . . \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account \$ _____

Capital contributed during the year . . . \$ _____

Current year increase (decrease) . . . \$ _____

Withdrawals & distributions . . . \$ (_____)

Ending capital account \$ _____

Tax basis GAAP Section 704(b) book
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		101.00
6a	Ordinary dividends		303.00
6b	Qualified dividends		202.00
7	Royalties		1,202.00
8	Net short-term capital gain (loss)		(42.00)
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		525.00
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	A	72.00
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)		
		19	Distributions
		20	Other information

*See attached statement for additional information.

For IRS Use Only

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Interest Income -> Interest Stmt

US Schedule B		Interest Received						2014	
Amounts shown in Box 8 should not be entered in the "Box 1 or 3 amount" column. Instead, enter an "E" in the "NAEOB column" and the amount from Box 8 in the "NAEOB amount" column.									
Payer	Box 1 or 3 amount	TSJ	State adjust +/-	Amount	NAE OB	NAEOB amount	AMT PAB	Early penalty	Federal withheld
SUSSEX PARTNERS K-1	101			0		0	0	0	0
SUSSEX PARTNERS K-1	0			0	E	72	0	0	0
	0			0		0	0	0	0

Dividends (Ordinary & Qualified) -> Dividend Stmt

US Schedule B		Dividend Income										2014	
Payer	Ordinary dividends	Qualified dividends	TSJ	State adjust +/-	Amount	N	Capital gain	1250 gain	28% gain	Fed. with.	Exempt int div.	AMT PAB	
SUSSEX PARTNERS K-1	303	202			0		0	0	0	0	0	0	
	0	0			0		0	0	0	0	0	0	

Short Term Capital Gains -> Sch D Pg 1 line 5 (documented with Scratch Pad)

4 Short-term capital gain from Form 6252 and short term gain or (loss) from Forms 4684, 6781, and 8824	0
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	-42
6 Short-term capital loss carryover If using TSJ, spouse's short-term loss carryover	0
7 Net short-term capital gain or (loss)	-42

Scratch Pad

Detail Sheet		2013
Name: KARLA KORN	SSN: 821-02-0752	
Description: SCH D LINE 5 ST CAP GN FROM K-1S		
Type	Amount	
SUSSEX PARTNERS K-1	-42	
	0	

Long Term Capital Gains -> Sch D Pg 1 line 12 (documented with Scratch Pad)

11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	0
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	525
13 Capital gain distributions Form 8814, child's capital gain distributions added to line 13	0
14 Long-term capital loss carryover	0

Scratch Pad

Detail Sheet		2013
Name: KARLA KORN	SSN: 821-02-0752	
Description: SCH D LINE 12 LT CAP GN FROM K-1S		
Type	Amount	
SUSSEX PARTNERS	525	
	0	

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Royalties -> Sch E Pg 1

US Schedule E

Supplemental Income and Loss

2014

Name: KARLA KORN

SSN: 821-03-0752

Part I: Income or Loss From Rental Real Estate and Royalties

Note: If you are in the business of renting personal property, use Schedule C. Report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2014 that would require you to file Form(s) 1099?
See instructions Yes No
- B** If "Yes", did you or will you file all required Forms 1099? Yes No

⁺ K-1 royalty information transfers to column C of lines 1 and 4.
State income is allocated based on the state listed in the address section below.
If any of these properties are part-year rental, part rental and part personal, such as a duplex, or a personal use unit, such as a vacation home, F9 on the "Address" field, A or B, to use a worksheet.

For each rental real estate property listed, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a joint qualified venture. See instructions.

⁺⁺ Allowable codes for type of property

- | | | | |
|---------------------------|---------------------------------|-------------|---------------|
| 1 Single family residence | 3 Vacation or short-term rental | 5 Land | 7 Self-rental |
| 2 Multi-family residence | 4 Commercial | 6 Royalties | 8 Other |

If type 8, enter a description for

Property A Property B
Property C

1	Address	TSJ	⁺⁺ Type	Fair rental days	Personal use days	QJV
A	<input style="width: 100%; height: 20px;" type="text"/>	-	-	0	0	<input type="checkbox"/>
B	<input style="width: 100%; height: 20px;" type="text"/>	-	-	0	0	<input type="checkbox"/>
⁺ C	<u>123 MAIN ST</u> 07871- SPARTA NJ	T	6	0	0	<input type="checkbox"/>

Income

F9 to 1099-Misc on line 3 or 4	Properties		
	A	B	C
3 Rents received	0	0	0
4 Royalties received	0	0	1202